

of its obligation to pay pneumoconiosis benefits in respect of any case in which such business entity's responsibility for such payments has been properly adjudicated. Any business entity described in this section shall take appropriate steps to insure that any liability imposed by part C of the Act on such business entity shall be dischargeable.

**§ 726.5 Effective date of insurance coverage.**

Pursuant to section 422(c) of part C of title IV of the Act, no coal mine operator shall be responsible for the payment of any benefits whatsoever for any period prior to January 1, 1974. However, coal mine operators shall be liable as of January 1, 1974, for the payment of benefits in respect of claims which were filed under section 415 of part B of title IV of the Act after July 1, 1973. Section 415(a)(3) requires the Secretary to notify any operator who may be liable for the payment of benefits under part C of title IV beginning on January 1, 1974, of the pendency of a section 415 claim. Section 415(a)(5) declares that any operator who has been notified of the pendency of a section 415 claim shall be bound by the determination of the Secretary as to such operator's liability and as to the claimant's entitlement to benefits as if the claim were filed under part C of title IV of the Act and section 422 thereof had been applicable to such operator. Therefore, even though no benefit payments shall be required of an operator prior to January 1, 1974, the liability for these payments may be finally adjudicated at any time after July 1, 1973. Neither the failure of an operator to exercise his right to participate in the adjudication of such a claim nor the failure of an operator to obtain insurance coverage in respect of claims filed after June 30, 1973, but before January 1, 1974, shall excuse such operator from his liability for the payment of benefits to such claimants under part C of title IV of the Act.

**§ 726.6 The Office of Workmen's Compensation Programs.**

The Office of Workmen's Compensation Programs (hereinafter the Office or OWCP) is that subdivision of the Employment Standards Administra-

tion of the U.S. Department of Labor which has been empowered by the Secretary of Labor to carry out his functions under section 415 and part C of title IV of the Act. As noted throughout this part 726 the Office shall perform a number of functions with respect to the regulation of both the self-insurance and commercial insurance programs. All correspondence with or submissions to the Office should be addressed as follows:

Division of Coal Mine Workers' Compensation, Office of Workmen's Compensation Programs, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210

**§ 726.7 Forms, submission of information.**

Any information required by this part 726 to be submitted to the Office of Workmen's Compensation Programs or any other office or official of the Department of Labor, shall be submitted on such forms or in such manner as the Secretary deems appropriate and has authorized from time to time for such purposes.

**Subpart B—Authorization of Self-Insurers**

**§ 726.101 Who may be authorized to self-insure.**

(a) Pursuant to section 423 of part C of title IV of the Act, authorization to self-insure against liability incurred by coal mine operators on account of the total disability or death of miners due to pneumoconiosis may be granted or denied in the discretion of the Secretary. The provisions of this subpart describe the minimum requirements established by the Secretary for determining whether any particular coal mine operator shall be authorized as a self-insurer. Any operator who meets the standards and qualifications contained in this subpart prescribed for self-insurers shall be required to deposit security in the form of either an indemnity bond or negotiable securities (at the option of the Office) of a kind and in an amount determined by the Office.

(b) The minimum requirements which must be met by any operator

seeking authorization to self-insure are as follows:

(1) Such operator must, at the time of application, have been in the business of mining coal for at least the 3 consecutive years prior to such application; and,

(2) Such operator must demonstrate the administrative capacity to fully service such claims as may be filed against him; and,

(3) Such operator's average current assets over the preceding 3 years (in computing average current assets such operator shall not include the amount of any negotiable securities which he may be required to deposit to secure his obligations under the Act) must exceed current liabilities by the sum of—

(i) The estimated aggregate amount of black lung benefits (including medical benefits) which such operator may expect to be required to pay during the ensuing year; and,

(ii) The annual premium cost for any indemnity bond purchased; and

(4) Such operator must obtain an indemnity bond the face amount of which, or deposit negotiable securities the current value of which, shall be determined as follows:

(i) An operator with between 5 and 19 employee-miners shall be required to post security in an amount equal to \$3,000 times the average number of employee-miners plus \$75,000.

(ii) An operator with between 20 and 100 employee-miners shall be required to post security in the amount of \$135,000;

(iii) Thereafter, there shall be an increase in the amount of security which shall be required to be posted of approximately \$75,000 per 100 employee-miners in excess of the first 100 employee-miners;

(iv) The amounts of security required in this paragraph are the minimum security requirements the Office shall prescribe in respect of any application for authorization to self-insure. Any factors bearing on a particular application which the Office deems pertinent shall be considered in fixing the amount of security which shall be required, and may result in higher security requirements than those enumerated in this paragraph.

(v) For purposes of this paragraph the number of employee-miners shall be established by determining the maximum quarterly average number of full-time employee-miners employed by the applicant during the preceding 4 calendar quarters; and

(5) No operator with fewer than 5 full-time employee-miners shall be permitted to self-insure.

(c) No operator who is unable to meet the requirements of this section should apply for authorization to self-insure and no application for self-insurance shall be approved by the Office until such time as the amount prescribed by the Office has been secured either by indemnity bond or the deposit of negotiable securities as prescribed in this subpart.

**§ 726.102 Application for authority to become a self-insurer; how filed; information to be submitted.**

(a) *How filed.* Application for authority to become a self-insurer shall be addressed to the Office and be made on a form provided by the Office. Such application shall be signed by the applicant over his typewritten name and if the applicant is not an individual, by the principal officer of the applicant duly authorized to make such application over his typewritten name and official designation and shall be sworn to by him. If the applicant is a corporation, the corporate seal shall be affixed. The application shall be filed with the Office in Washington, DC.

(b) *Information to be submitted.* Each application for authority to self-insure shall contain:

(1) A statement of the employer's payroll report for each of the preceding 3 years;

(2) A statement of the average number of employees engaged in employment within the purview of the Act for each of the preceding 3 years;

(3) A list of the mine or mines to be covered by any particular self-insurance agreement. Each such mine or mines listed shall be described by name and reference shall be made to the Federal Identification Number assigned such mine by the Bureau of Mines, U.S. Department of the Interior;

(4) A certified itemized statement of the gross and net assets and liabilities